

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

1. REPORT DATE: October 14, 1997	2. BUREAU AGENDA NO. OCT-97-FUS-1420*
3. BUREAU: Fixed Utility Services	KJR
4. SECTION(S): Energy	5. PUBLIC MEETING DATE:
6. APPROVED BY: Director: Muth 3-5242 <i>[Signature]</i> Supervisor: Bennett 7-5553 <i>[Signature]</i> Law Bureau: Burket 7-5000 <i>[Signature]</i>	October 23, 1997
7. PERSONS IN CHARGE: Glunz / Maher 3-6163	DOCKETED OCT 28 1997
8. DOCKET NO.: A-110049	

- 9. (a) CAPTION (abbreviate if more than 4 lines)**
(b) Short summary of history & facts, documents & briefs
(c) Recommendation
- (a) License Application of PG&E Energy Services Corporation ("PG&E") (Home Office :San Francisco, CA)
- (b) On September 19, 1997, PG&E filed an application for a license to offer, render, furnish, and supply electricity and/or electric generation supply and other energy-related products and services to all non-residential customers in all counties within the Commonwealth of Pennsylvania as a broker/marketer.
- The License Application is filed in accordance with the requirements of Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.
- (c) The Bureau of Fixed Utility Services recommends that the Commission adopt the proposed draft Opinion and Order which approves the License Application contingent upon the submission of certain information.

10. MOTION BY: Commissioner Chm. Quain
 Commissioner Bloom - No
 Commissioner Hanger - Yes
 Commissioner Rolka
 Commissioner Brownell - Yes

CONTENTS OF MOTION: Staff recommendation adopted.
 Statement of Vice Chairman Robert K. Bloom attached.

**DOCUMENT
 FOLDER**

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

LICENSE APPLICATION OF PG&E
ENERGY SERVICES CORPORATION

PUBLIC MEETING -
OCTOBER-23, 1997
OCT-97-FUS-1420*
DOCKET NO: A-110049

LICENSE APPLICATION OF
ERI SERVICES, INC.

OCT 23 1997
OCT-97-FUS-1422*
DOCKET NO: A-110048

LICENSE APPLICATION OF ENSERCH
ENERGY SERVICES, INC.

OCT-97-FUS-1426*
DOCKET NO: A-110054

KJR

STATEMENT OF VICE CHAIRMAN ROBERT K. BLOOM

Before the Commission for consideration are applications filed by PG&E Energy Services Corporation ("PG&E"), ERI Services, Inc. ("ERI Services") and Enserch Energy Services, Inc. ("Enserch") for approval of licenses to become electric generation suppliers in Pennsylvania. All of the applications were filed pursuant to the Commission's directive in its order concerning interim licensing requirements for electric generation suppliers. The Bureau of Fixed Utility Services recommends that the Commission approve all of these applications contingent upon the submission of certain additional information. I disagree.

The Commission approved directive, "Interim Licensing Instructions and Procedures"¹, contains specific and detailed requirements which applicants must comply with in order to receive an interim license to sell electricity at retail in Pennsylvania. For example, applicants are required to demonstrate financial and technical fitness, publish newspaper notice of filing of an application and obtain a security bond, or other approved security, in the amount directed by the Commission. Specifically, page two of our licensing procedures states that:

"Proof of publication of the notice must be filed with the Commission. An application will not be considered to be complete for Commission review until the proof of publication is filed with the Commission's Office of Prothonotary."

PG&E and ERI Services have not complied with this basic requirement. Enserch has not yet provided a \$250,000 bond or the required Pennsylvania Emergency Management Agency contact information. In my opinion, these applications should not be approved until this basic information has been received by the Commission. The applications should instead be extended until November 7, 1997 and the applicants put on notice that they must comply with our basic licensing requirements or they will not receive a license to do business in Pennsylvania. It does not make sense for the Commission to go through the process it did to develop reasonable licensing requirements and then ignore those requirements when it so desires. For the above reasons, I must dissent on each of these applications.



10-22-97

DATE


ROBERT K. BLOOM, VICE CHAIRMAN

¹ "Chapter 28 Electricity Generation Customer Choice and Competition Act Licensing Requirements for Electric Generation Suppliers", Docket No. M-00960890 F. 0004, entered February 13, 1997.



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

REFER TO OUR FILE

OCTOBER 24, 1997

A-110049

DOUGLAS A OGLESBY ESQUIRE
PG&E ENERGY SERVICES
353 SACRAMENTO STREET STE 1900
SAN FRANCISCO CA 94111

KJR

License Application for PG&E Energy Services Corporation
to become a Broker/Marketer

To Whom It May Concern:

This is to advise you that an Opinion and Order has been adopted by the Commission in Public Meeting on October 23, 1997, in the above entitled proceeding.

An Opinion and Order has been enclosed for your records.

Very truly yours,

James J. McNulty,
Acting Secretary

DOCKETED
NOV 18 1997

smk
Encls.
Cert.Mail
HAROLD T JUDD ESQUIRE
PG&E ENERGY SERVICES CORP
ONE CAPITOL STREET
CONCORD NH 03301

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FOLDER

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265**

Public Meeting held October 23, 1997

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman, Dissenting - Statement attached
John Hanger
David W. Rolka
Nora Mead Brownell

License Application for PG&E Energy Services
Corporation to become a Broker/Marketer

Docket No.
A-110049

OPINION AND ORDER

BY THE COMMISSION:

On September 19, 1997, PG&E Energy Services Corporation, ("PG&E") filed a License Application to operate as a broker/marketer and aggregator of electric generation and related services. This filing is made pursuant to Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.

DOCKETED

§2809 provides in pertinent part that:

NOV 18 1997

License Requirement.--No person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators and other entities, shall engage in the business of an electric generation supplier in this Commonwealth unless the person or corporation holds a license issued by the Commission. 66 Pa. C.S. §2809.

An electric generation supplier is defined as:

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A person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators or any other entities, that sells to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company, or that purchases, brokers, arranges or markets electricity or related services to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company. 66 Pa. C.S. §2803.

It is important to note that a licensee must comply with, and be governed by, our Chapter 56 regulations. Thus, we deem it appropriate to reiterate certain items with respect to Chapter 56 of our regulations. Chapter 56 (52 Pa Code Chapter 56) is applicable only to residential accounts. An electric generation supplier cannot physically disconnect a customer from the electricity grid, and the service termination provisions are not applicable. An electric generation supplier may seek to terminate its generation service through an appropriate written notice to the customer and the distribution company. The customer can then attempt to repair their relationship with the supplier, seek a new supplier, or default to utility service at capped rates in accordance with the local electric distribution utility's obligations under Section 2807(e). 66 Pa. C.S. §2807(e). The customer would only be disconnected from the electricity grid pursuant to Chapter 56 if the customer failed to meet their obligations to the utility or the provider of last resort.

Additionally, we take this opportunity to once again remind the licensee that its officers, representatives and employees have agreed to lawfully abide by all Commission regulations, procedures and orders, including Emergency Orders which may be issued verbally, or in writing during any emergency situations that may unexpectedly develop from time-to-time in the course of doing business in Pennsylvania.

PG&E has stated that upon the approval of this Application, it proposes to provide services to all non-residential customers in all counties within the Commonwealth of Pennsylvania.

PG&E has not yet provided proofs of publication from the Pennsylvania newspapers in which it was required by the Commission to publish its notice of application.

Through responses to items 24 and 25 of its license application, PG&E demonstrated its technical and financial fitness in order to be licensed to operate as an electric generation supplier in Pennsylvania.

PG&E has furnished a \$250,000 bond, as required by item #20 of the application..

As of October 14, 1997, no protests have been filed.

We find that the applicant:

1. Is fit, willing and able to properly perform the service proposed in conformance with applicable provisions of the Public Utility Code and the lawful Commission orders and regulations, specifically including 52 Pa. Code Chapter 56 (relating to Standards and Billing Practices for Residential Utility Service).
2. Has agreed to lawfully abide by all Commission regulations, procedures and orders, including Emergency Orders which may be issued verbally, or in writing during any emergency situations that may unexpectedly develop from time-to-time in the course of doing business in Pennsylvania.
3. That the proposed service to the extent authorized by the license, will be consistent with the public interest and the policy declared in the Electricity Generation Customer Choice and Competition Act.

Upon full consideration of all matters of record, we find that approval of this application is necessary and proper for the service, accommodation and convenience of the public;

THEREFORE,

IT IS ORDERED:

1. That the application of PG&E Energy Services Corporation, is hereby approved, consistent with this Opinion and Order.

2. That an interim license be issued authorizing PG&E Energy Services Corporation, the right to begin to offer, render, furnish or supply electric generation supplier services to the public within the Commonwealth of Pennsylvania contingent upon ;

a) The Company submitting proofs of publication from the Pennsylvania newspapers in which it was required by the Commission to publish its notice of application, and

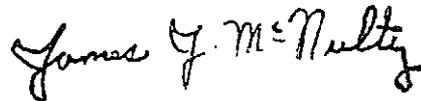
b) The absence of any protest filing during the fifteen day protest period.

3. That pursuant to this conditional approval, PG&E Energy Services Corporation, may publish and distribute informational advertising materials to the public, and may disseminate information by telephone to familiarize the public with the company, its intent to offer electric generation service to Pennsylvania consumers, the classes of customers it intends to serve, and the types of services it plans to offer. The company

may not extend an offer to provide service orally or in writing to any customer until the time that it is fully licensed by this Commission.

4. That the effective date of the interim license will be the date that the Prothonotary acknowledges receipt of the Proofs of Publication and the conclusion of the protest period.

BY THE COMMISSION,



James J. McNulty
Acting Secretary

(SEAL)

ORDER ADOPTED: October 23, 1997

ORDER ENTERED: **OCT 24 1997**

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery *Consult postmaster for fee.	
Addressee's Address: HAROLD T JUDD ESQUIRE PG&E ENERGY SERVICES CORP ONE CAPITOL STREET CONCORD NH 03301 A-110049 O/O		4a. Article Number P 968 630 572	
5. Received By: (Print Name)		4b. Service Type <input checked="" type="checkbox"/> CERTIFIED	
6. Signature: (Addressee or Agent) X <i>Harold Judd</i>		7. Date of Delivery 10-27-97	
PS Form 3811, January 1996		8. Addressee's Address (Only if requested and fee is paid) KJR	

Domestic Return Receipt

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
Addressee's Address: DOUGLAS A OGLESBY ESQUIRE PG&E ENERGY SERVICES 353 SACRAMENTO ST STE 1900 SAN FRANCISCO CA 94111 A-110049 O/O		4a. Article Number P 968 630 571	
5. Received By: (Print Name)		4b. Service Type <input checked="" type="checkbox"/> CERTIFIED	
6. Signature: (Addressee or Agent) X <i>Douglas Judd</i>		7. Date of Delivery OCT. 23 1997	
PS Form 3811, January 1996		8. Addressee's Address (Only if requested and fee is paid) KJR	

Domestic Return Receipt